

Appendix 10

Restricted Maintenance Fund

Introduction

Districts are required to establish a restricted maintenance fund for the exclusive purpose of providing funding for annual ongoing maintenance and routine repair to ensure that State School Building Lease-Purchase projects are at all times kept in good repair and working order. All costs for necessary repairs, renewals, and replacements must be borne by the school district.

Projects Subject to the Requirement

Prior to the initial approval of a State School Building Lease-Purchase project a restricted maintenance fund must be established for those district's whose average daily attendance exceeds:

ADA	DISTRICT TYPES
900	Elementary School
1200	Unified School
300	High School

Note: Districts with cost sharing projects and advance planning loans are exempt from the establishment of a restricted maintenance fund. County Superintendent of Schools projects are also exempt from this requirement.

Types of Maintenance

Four types of on-going maintenance meet the criteria:

TYPE	DESCRIPTION
Breakdown	The emergency maintenance to equipment necessary to continue normal school functions.
Operating	Work necessary for a component to function and operate properly (i.e., lubrication, belt replacement, tune-up, replacement of lighting ballasts).
Preventative	Regularly scheduled maintenance based on life-cycle projection of various components.
Overhaul	Periodic major repair or replacement of operating parts and components of equipment.

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Required Deposit

The district must deposit each fiscal year, for the life of the lease agreement, an amount equal to two percent of the district's:

- current year general fund; and
- adult education budget

These deposits are exclusive of amounts budgeted for:

- capital outlay, and
- debt service

Note: Deposits must be made no later than December 31 in the fiscal year following the fiscal year that the project is initially approved.

Establishing of a Restricted Maintenance Fund

When this restricted fund is established, it must be declared as a "Routine Repair and Regular Maintenance Fund". The funds deposited are to be used exclusively for this purpose.

Note: This fund *is not* part of the deferred maintenance fund and money deposited in this fund *does not* represent the matching share requirement for any deferred maintenance apportionments. ☺
